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## LOHAS: Marketing a green and sustainable way of living

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Buying green, has proven to be more than a passing fad. Consumers and activists like have shown that going green is profitable, trendy, and more recently, used as a way to express a social consciousness towards responsible living and consumerism.

LOHAS, or Lifestyles of Health and Sustainability, is an acronym coined by the Natural Marketing Institute (NMI) in the United States to refer to market segments that subscribes to a way of life that positively impacts health and fitness, the environment, personal development, sustainable living and social justice.

Described as the "biggest market you've never heard of" by a *New York Times* report in July 2003, the potential of LOHAS to make a significant impact has not escaped the likes of former corporate honchos like Adam Horler and Tay Lai Hock, high fliers who quit the rat race to do their bit to save the earth. They shared their experience in helping catalyse this movement at a recent [Social Conversation \(http://www.lcsi.smu.edu.sg/prog\\_100715.asp\)](http://www.lcsi.smu.edu.sg/prog_100715.asp) organised by SMU's [Lien Centre for Social Innovation \(http://www.lcsi.smu.edu.sg/\)](http://www.lcsi.smu.edu.sg/).

"My business travel in Asia had taken me off the beaten track to small towns and cities, where I saw that progress is not really working," said Horler, whose last position was that of a regional chief executive officer for Molton Brown, a UK-based beauty and bathroom product company. Horler, no stranger to the corporate world, has also previously held positions at companies like P&G, EMI, Red Earth and L'Oreal.

In these rural areas, he found environmental degradation and a less-than-ideal quality of life for its inhabitants who "chase the Western dream". Thus, Horler decided that instead of finding out what makes Asian consumer markets tick and how to sell more lipstick, he would embark on a more meaningful journey: to educate consumers on "conscious living" where consumption can be done in a less damaging way, and to help facilitate the growth of the LOHAS business community to serve these consumers.

Today, as president of Asia-Pacific LOHAS Pte Ltd, described as a for-profit social enterprise, Horler spearheads the organisation's efforts to research and implement Asian models of sustainable urban and rural living. His aim is to make it the regional authority on attitudes of Asian consumers towards "conscious living" as well as the mobilising force behind ordinary consumers' purchasing power to change consumer markets through the power of its social networks.

The size of the LOHAS market is not to be scoffed at. NMI estimates the US market alone to be worth some US\$290 billion in 2009. While many industries were stagnating or even contracting because of the economic downturn, the organic and green product markets were growing and still moving ahead, said Horler.

### From "LOHAS" to the "unconcerned"

Like all savvy marketers, the people behind LOHAS have divided the addressable market into five different customer segments. On one end of the spectrum, the "LOHAS", are considered forerunners of the green movement. As early adaptors of environmentally-friendly technology, they were the first to buy things like hybrid cars, solar panels and ethically-made clothing when these products were introduced to the market. The second group, "naturalites", are more concerned about their health, and would thus be heavy consumers of organic and natural food, yoga and pilates classes, and eco-holidays.

"Drifters", the third, follow trends and seek the "green badge" only because it is trendy to do so. Meanwhile, the "conventionals" are older, conservative and pragmatic consumers who will only be environmentally-friendly if it results in spare change. So if one manages to convince them that buying a hybrid car will result in cost savings over the years compared to a non-hybrid purchase, they will buy it. This group, if targeted correctly, said Horler, actually represents a large part of the consumer market in the US. There is one last group: the so-called "unconcerneds", which Horler wryly notes, there is no need to be concerned about them, as nothing will move them to be part of LOHAS.

The potential impact of this market segment in influencing greener consumption patterns is tremendous. According to Horler, green products and services are already reaching some 80% of the market. "It is just a matter of how you target them," he said.

Recently, Asia-Pacific LOHAS partnered NMI for a ten-market study of the LOHAS consumer market in the Asia-

Pacific region. The results revealed that while only 17% of the Asia market surveyed were "LOHAS followers" as compared to 19% in both Europe and the US, the proportion of "drifters" (29%) and "naturalites" in this part of the world is higher than that in the other two regions. In fact, in almost all the ten countries surveyed, including China, Singapore, Philippines, Indonesia and Australia, the "drifters" form the largest proportion of the consumers. For Horler, this means that "here in Asia, we need to show that we're a trend in the environment worth following so that they find reasons to be buying it."

### **Wide recognition**

Horler added that while LOHAS is mostly used on a business-to-business (B2B) platform in the US, in Asia, it is more about the consumer and the brand. In a study conducted in 2009, 60% of the Japanese population recognise the English acronym and correctly identify it as relating to health and the environment, even though only 2% of them are English-speaking.

"This was what got me excited. It means that there was a chance that we could use this brand to label what everybody was trying to do. If I could make this brand look sexy, young and really cool, and I give it to 20 companies who want to use it for free forever, then we can get more consumers to use that [LOHAS] language and unite behind it," said Horler.

Indeed, the spread of the LOHAS phenomenon across Asia was nothing short of swift. As usual, Japan, quick in picking up trends, was the first in the region to take it, adapt it, and they made it into something more than what it was in the US. So from its Colorado origins in 1999, the lifestyle went to Japan (2001), South Korea (2002), Thailand (2003), Hong Kong, Shanghai, Australia and Singapore (2007). The rest of the South-East Asian nations are following suit.

Now the LOHAS brand appears in products and marketing campaigns ranging from bottled water that comes in biodegradable corn starch bottles to the "LOHAS Park" train station in Hong Kong, to Kaohsiung, a Taiwanese port city proudly marketing itself as a LOHAS holiday destination. Singapore, too, has a "Uniquely Singapore" LOHAS campaign.

### **An "open source" brand**

With LOHAS being an "open source" brand, the question of quality is inevitably raised. To that, Horler quickly points out that if anyone wanted to use the brand, he has to be part of the LOHAS network. And to do so, the company or organisation must take a pledge and publish an annual statement against the points of the pledge to state what was done to fulfill them.

However, Horler, who is usually seen in his trademark outfit of a T-shirt and bermudas, said: "We don't want to be a seal, mark or accreditation. The whole idea is to educate consumers and companies such that they put more thought into the components that go into the brand, such as the type of packaging used, the energy efficiencies, and so on."

Taking, literally, a more down-to-earth approach to LOHAS, is Tay, the seminar's other speaker. Founder and president of Ground-up Initiative (GUI), Tay has witnessed destruction to the natural environment in the course of his business travels. He is convinced that something has to be done before it is too late. Tay, who is also the development director of the Kranji Countryside Association, sees the LOHAS movement as a means of "connecting people to the earth in a way that heals the land and the human spirit". He gave up his previous six-figure-salary job to make this point.

Like Horler, Tay was a veteran corporate warrior. Having spent 11 years holding regional and international positions in the IT sector, he believes that corporations have the biggest capacity to make changes to consumption patterns. "The Wal-Marts and Nikes of the world have a greater capacity to achieve more for the greater good because of their scale. One incremental change from them equals one massive change in their industries," said Tay.

With more than half of the world's population living in urban areas and the proportion increasing, Tay sees the pressure on earth's resources as a "big problem" as consumption goes up and more waste is generated. Added to this is a "me" culture where individualism takes precedence over community.


So in starting GUI, Tay's objective is to "get people to come together as a community and connecting them through earth activities". This is the reason why visitors to GUI's 1200-square metre sustainable urban farm (SURF) at the Bottle Tree Park in Yishun, are expected to get their hands dirty as they collectively till, sow, plant, and maintain the farm every week. Its volunteers include locals and expatriates, young children as well as senior citizens. The turnout has, in fact, been so positive that SURF has had to turn people away.


"We want to instil a hands-on culture where our volunteers learn by doing and engage the community to work together. It is through this action of coming together that they understand the concept of green, why they need to consume responsibly and live in harmony with earth," said Tay, who believes that as people work to heal the land, they are, themselves, healed as well.

Judging from the response to GUI's urban farm and the growing awareness and trendy perception of being green, LOHAS is far from biting the dust. It is definitely blooming and might prove to be the market segment to watch in the next decade.

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